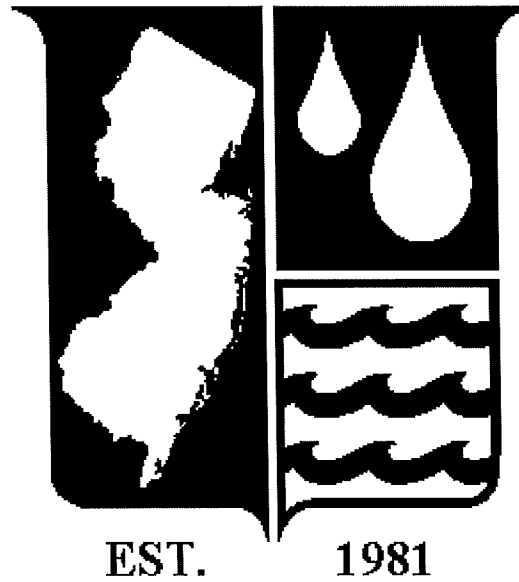


**NEW JERSEY WATER SUPPLY AUTHORITY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**(A Component Unit of the State of New Jersey)**

**September 30, 2019 AND JUNE 30, 2019**

**(UNAUDITED)**

NEW JERSEY WATER SUPPLY AUTHORITY

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**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

STATEMENTS OF NET POSITION

	Unaudited	
	Sept. 30, 2019	June 30, 2019
<b>Assets</b>		
Current assets:		
Unrestricted assets		
Cash and cash equivalents	\$ 50,643,904	\$ 46,855,543
Unbilled sales	1,894,882	1,493,831
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2019 and June 30, 2019	49,261,700	54,096,481
Interest receivable	25,995	160,219
Prepaid expenses and other current assets	694,247	1,076,072
Total unrestricted current assets	<u>102,520,728</u>	<u>103,682,146</u>
Restricted assets:		
Cash equivalents	21,563,251	23,143,255
Total current assets	<u>124,083,979</u>	<u>126,825,401</u>
Non-current assets:		
Investments	5,190,196	9,448,283
Capital assets, net	156,735,279	153,997,877
Total non-current assets	<u>161,925,475</u>	<u>163,446,160</u>
Total assets	<u>286,009,454</u>	<u>290,271,561</u>
Deferred outflows of resources		
Pension related	5,501,791	5,501,791
OPEB related	824,121	824,121
2018 construction loan DEP fee	641,319	641,319
Total deferred outflows of resources	<u>6,967,231</u>	<u>6,967,231</u>
Total assets and deferred outflows of resources	<u>\$ 292,976,685</u>	<u>\$ 297,238,792</u>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 151,282	\$ 4,075,585
Accounts payable	1,161,223	4,743,219
Accrued liabilities	2,728,717	2,540,665
Unearned revenue	3,151,324	3,084,276
Total current liabilities	<u>7,192,546</u>	<u>14,443,745</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	117,022,475	117,087,166
Net pension liability	19,884,740	19,884,740
Total OPEB liability	26,850,331	26,850,331
Total non-current liabilities	<u>163,757,546</u>	<u>163,822,237</u>
Total liabilities	<u>170,950,092</u>	<u>178,265,982</u>
Deferred inflows of resources:		
Cost recovery	116,329	(69,904)
Pension related	7,141,533	7,141,533
OPEB related	13,629,222	13,629,222
Gain on refunding	457,470	485,784
Total deferred inflows of resources	<u>21,344,554</u>	<u>21,186,635</u>
Total liabilities and deferred inflows of resources	<u>192,294,646</u>	<u>199,452,617</u>
<b>Net position</b>		
Net investment in capital assets	64,667,236	57,912,526
Restricted for debt service	18,411,927	20,058,979
Unrestricted	17,602,876	19,814,670
Total net position	<u>100,682,039</u>	<u>97,786,175</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 292,976,685</u>	<u>\$ 297,238,792</u>

See accompanying notes.

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Unaudited		Three months ended Sept. 30,	
	2019	2018	
Operating revenue:			
Water sales	\$ 7,543,179	\$ 7,526,237	
Reimbursement of operating expenses	660,600	660,600	
Total operating revenue	<u>8,203,779</u>	<u>8,186,837</u>	
Operating expenses:			
Payroll	1,971,153	2,061,829	
Operations and maintenance	1,204,792	1,079,744	
Fringe benefits	1,096,877	1,211,677	
Depreciation	1,182,518	1,174,638	
Total operating expenses	<u>5,455,340</u>	<u>5,527,888</u>	
Income from operations	2,748,439	2,658,949	
Non-operating revenues:			
State of New Jersey - Grant Programs	15,339	-	
Investment income	434,224	246,241	
Rental income	47,183	46,487	
Other income	5,714	30,674	
Total non-operating revenues	<u>502,460</u>	<u>323,402</u>	
Non-operating expenses:			
Interest component of debt service to the State of New Jersey	50,704	88,810	
Recovery of deferred inflows of resources	304,331	187,835	
Total non-operating expenses	<u>355,035</u>	<u>276,645</u>	
Change in net position	2,895,864	2,705,706	
Net position, beginning of year	97,786,175	88,423,257	
Net position, end of year	<u>\$ 100,682,039</u>	<u>\$ 91,128,963</u>	

See accompanying notes.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

STATEMENTS OF CASH FLOWS

Unaudited	Three months ended Sept. 30,	
	2019	2018
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$ 8,482,962	\$ 4,723,289
Cash received from reimbursable expenses	670,837	653,460
Cash received from rental income	35,436	80,602
Cash paid to or on behalf of employees	(2,655,455)	(3,146,010)
Cash paid to suppliers	(929,305)	(1,005,304)
Net cash provided by operating activities	<u>5,604,475</u>	<u>1,306,037</u>
<b>Cash flows from noncapital financing activities</b>		
Cash received for grant programs	9,131	-
Net cash provided by non-capital financing activities	<u>9,131</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from borrowing	3,580,367	-
Principal paid on bonds, notes and loans	(4,094,857)	(3,865,593)
Interest paid on bonds, notes and loans	(246,339)	(310,678)
Acquisition and construction of capital assets	(7,476,527)	(1,559,767)
Proceeds from sale of capital assets	5,572	30,529
Net cash used in capital and related financing activities	<u>(8,231,784)</u>	<u>(5,705,509)</u>
<b>Cash flows from investing activities</b>		
Sale of investment securities	6,285,000	3,708,775
Purchase of investment securities	(3,604,465)	(892,089)
Interest received on investments	568,448	287,905
Premium on matured investments	1,577,552	33,981
Net cash provided/(used) by investing activities	<u>4,826,535</u>	<u>3,138,572</u>
Net increase in cash and cash equivalents	2,208,357	(1,260,900)
Cash and cash equivalents, beginning of year	69,998,798	58,408,951
Cash and cash equivalents, end of year	<u>\$ 72,207,155</u>	<u>\$ 57,148,051</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,748,439	\$ 2,658,949
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	47,325	46,632
Depreciation	1,182,518	1,174,638
Increase (decrease) in cash from:		
Unbilled sales	(401,051)	(403,215)
Accounts receivable	1,249,302	(2,523,971)
Prepaid expenses and other current assets	381,825	366,668
Accounts payable	(14,069)	(138,476)
Accrued liabilities	(8,955)	(7,479)
Accrued payroll and taxes	419,141	132,291
Net pension liability	-	-
Net OPEB liability	-	-
Net cash provided by operating activities	<u>\$ 5,604,475</u>	<u>\$ 1,306,037</u>
<b>Non cash investing activities</b>		
Decrease in fair value of investments	<u>\$ 126,912</u>	<u>\$ (67,354)</u>

See accompanying notes.

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

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**A. ORGANIZATION AND OPERATIONS**

The New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey (the "State"), consisting of the Spruce Run/Round Valley Reservoirs Complex, the Delaware and Raritan Canal Transmission Complex (the "Raritan Basin System") and the Manasquan Reservoir Water Supply System (the "Manasquan System"), is a public body, corporate and politic, constituted as an instrumentality of the State, exercising public and essential governmental functions. The Authority was created by the New Jersey Water Supply Authority Act (the "Act") on October 7, 1981, and in connection with the Act, all water supply facilities owned or operated by the State (*i.e.*, *Raritan Basin System*) were transferred or leased to the Authority. The Act empowers the Authority to acquire, finance, construct and operate water systems and issue bonds. Members of the Authority consist of the Commissioner of the New Jersey Department of Environmental Protection ("NJDEP"), ex officio member and six public members appointed by the Governor upon the advice and the consent of the New Jersey Senate. The public members represent the agricultural community, industrial water users, residential water user, private watershed associations, public finance and water resource management and distribution. The Authority prepares an annual budget that is used to establish rates and as a management tool but does not constitute a legal budget or establish spending limitations.

The Authority does not have component units that should be included within its financial statements.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Authority is a component unit of the State of New Jersey and is included in their general purpose financial statements.

The accompanying basic financial statements have been prepared in conformity with accounting principals generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB").

In its accounting and financial reporting, the Authority follows the pronouncements of the GASB and other entities that promulgate accounting principals. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principals for the State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a government entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principals ("GAAP") are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants ("AICPA") cleared by the GASB. Authoritative GAAP is incorporated periodically into the Codification of Governmental Accounting and Financial Reporting Standards (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principals for similar transactions or other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other Statements, pronouncements and other literature of the Financial Accounting Standards Board ("FASB"), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB, practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.

The Authority derives most of its revenues from water user charges and is considered to be an enterprise fund; accordingly, the Authority presents its financial statements on the accrual basis of accounting. In addition, the Authority has established certain restricted "funds or accounts" as directed by internal resolution and bond indentures.

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue**

Charges for wholesale water usage are established to provide revenues sufficient for services, essential repairs and improvements to the utility plant, and repayment of debt service on certain long-term obligations used for plant construction. Sales are recognized as revenue when water is made available to customers, and the customers are billed in the following month or quarter.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenue and expenses result from the sale of water to customers. Operating expenses include costs of providing water, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Capital Assets**

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place into operation the projects of the Authority. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of three years. Such expenditures include labor, materials, services and indirect costs. Normal maintenance and repair costs are charged to operations and maintenance expense. Improvements and replacements are capitalized. Interest earned on long-term debt proceeds used for capital asset construction and temporarily invested during the construction period is netted against interest cost. The excess, if any, is capitalized to construction work in progress, and the portion related to completed projects is expensed. The cost of capital assets retired, net of any gain or loss on the disposal of such capital assets, is offset to accumulated depreciation. The Authority also holds several restricted easements for utility access, conservation and water rights. These easements are recorded at the lower of cost or fair market value upon acquisition.

**Depreciation**

Capital assets are depreciated on the straight-line basis over the estimated useful lives of the various classes of plant, as follows:

Dams	100 years
Buildings, structures and improvements	15-40 years
D&R canal dredging	20 years
Machinery & equipment	3-10 years

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Authority considers short-term investments that have original maturities of ninety days or less to be cash equivalents.

**Investments**

Short-term investments and restricted investments used for construction and payment of interest consist of money market funds and U.S. Government-backed securities with various interest rates. Restricted investments are restricted under the terms of the Authority's bond indentures for the payment of debt service. All investments are carried at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*.

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

The Authority considers most of its accounts receivable to be collectible; accordingly, the change in net position is charged with an allowance for estimated uncollectible accounts based on past experience and an analysis of current accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible.

During fiscal year 2019, two customers accounted for approximately 96% of the total Raritan Basin System accounts receivable and two customers accounted for approximately 94% of total Manasquan System accounts receivable. During fiscal year 2018, two customers accounted for approximately 84% of total Raritan Basin System accounts receivable and five customers accounted for approximately 90% of total Manasquan System accounts receivable.

**Compensated Absences**

All full-time employees accumulate vacation benefits in varying annual amounts up to a maximum allowable accumulation of two years' benefit. Unused sick leave benefits are earned by all full-time employees at a rate of 15 days per year and may be accumulated without limit. In the event of termination, an employee is reimbursed for all accumulated vacation days. Unused sick leave benefits do not vest but are payable only upon retirement up to a maximum of \$15,000. A liability is accrued in the financial statements when incurred.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Income Taxes**

The Authority is exempt from federal income taxes under the Internal Revenue Code, Section 115, and from state income taxes under N.J.S.A. 27:25-16, and accordingly, no provision is recorded for federal and state income taxes.

**Net Position**

Net position represents the difference between assets and liabilities and is classified into three categories:

- ◆ *Net Investment in Capital Assets* - This represents capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition construction or improvement of those assets.
- ◆ *Restricted Net Position (debt service)* - This represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as they are needed.
- ◆ *Unrestricted Net Position* - This represents net position that is available for general use.

**Deferred Inflows and Outflows of Resources**

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.



**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows and Outflows of Resources (Continued)**

*Deferred Inflows of Resources - Cost Recovery*

The Authority's cost recovery rate model used to establish rates, fees and charges, includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB Statement No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, and accrued sick pay, which are being classified as deferred inflows of resources. The deferred inflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the three months ended September 30, 2019 and the year ended June 30, 2019, were determined as follows:

	Sept 30, 2019	June 30, 2019
<b>Raritan Basin System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	\$ 208,802	\$ 835,209
Excess vacation expense over vacation paid	(23,693)	13,883
Accrued sick pay	-	(7,580)
	<u>185,109</u>	<u>841,512</u>
Cost included in rate model:		
Debt principal repayment	<u>-</u>	<u>-</u>
	185,109	841,512
<b>Manasquan System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets recoverable from rate payers	385,213	1,540,854
Excess vacation expense over vacation paid	(2,805)	(649)
Accrued sick pay	-	891
	<u>382,408</u>	<u>1,541,096</u>
Cost included in rate model:		
Debt principal repayment	<u>(753,750)</u>	<u>(2,880,000)</u>
	(371,342)	(1,338,904)
Total Raritan Basin and Manasquan	(186,233)	(497,392)
Balance, beginning of year	69,904	567,296
Balance, end of year	<u>\$ (116,329)</u>	<u>\$ 69,904</u>

As shown in the statements of revenues, expenses and changes in net position for the three months ended September 30, 2019, deferred inflow of resources debit of \$304,331 includes a debit balance of \$144,596 of Manasquan Water Treatment Plant unearned revenue, which is not part of the rate model, and does not include a debit balance of \$26,498 of accrued vacation and sick pay. The June 30, 2019, deferred inflows of resources debit balance of \$936,439 includes a debit balance of \$432,502 of Manasquan Water Treatment Plant unearned revenue and does not include a credit balance of \$6,545 of accrued vacation and sick pay.

*Deferred Inflows/Outflows of Resources - Debt Refunding*

Deferred charges for debt refunding result from the difference between the net carrying amount of refunded bonds and the amount deposited to escrow to defease the bonds. In accordance with GASB 23, the Authority has deferred the difference between the reacquisition price and the net carrying amount of the Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005. The deferred amount is reported as a deferred inflow of resources and amortized as a component of interest expense over the remaining life of the Manasquan Reservoir Water Supply System Revenue Bonds, Series 2016.

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows and Outflows of Resources (Continued)**

*Deferred Inflows/Outflows of Resources - Pensions & Other Postretirement Benefits (OPEB)*

Deferred charges for the defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on plan investments, changes in the State's proportion of expenses and liabilities to the plans as a whole, differences between the Authority's plan contributions and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

**Accounting for Southeast Monmouth Municipal Utilities Authority Agreement**

The Authority operates and maintains a Water Treatment Plant/Transmission System for the Southeast Monmouth Municipal Utilities Authority ("SMMUA"). The SMMUA is charged for budgeted operating expenses expected to be incurred by the Authority during the SMMUA's fiscal year (January 1 through December 31).

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statement of net position. These excess costs or billings will be recovered or recognized in future periods. As of September 30, 2019 and 2018, unearned revenue amounting to \$1,980,383 and \$1,897,637 respectively, was determined as follows:

	2019	2018
Reimbursement of operating expenses	\$ 670,690	\$ 667,996
Operating expenses	526,094	606,146
Unearned revenue	144,596	61,850
Balance, beginning of year	2,268,289	1,835,787
Balance, end of year	<u>\$ 2,412,885</u>	<u>\$ 1,897,637</u>

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of September 30, 2019 and 2018, the amount included in unearned revenue was \$263,439 and \$339,109, respectively.

**Accounting for Watershed Protection Program**

For the three months ended September 30, 2019 and 2018, the Authority received \$9,131 and \$0 respectively, from federal and/or state environmental agencies for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and these agencies and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of September 30, 2019, all the funds received had been recognized as revenue.

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**C. CAPITAL ASSETS**

Capital assets activity for the three months ended September 30, 2019 and the year ended June 30, 2019, was as follows:

	2019 Beginning Balance	Additions	Retirements	2019 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	29,736,972	3,906,876	(867,509)	32,776,339
Total capital assets not being depreciated	<u>56,181,924</u>	<u>3,906,876</u>	<u>(867,509)</u>	<u>59,221,291</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,452,358	867,508	-	143,319,866
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,981,742	13,045	(28,776)	6,966,011
Total capital assets being depreciated	<u>247,963,534</u>	<u>880,553</u>	<u>(28,776)</u>	<u>248,815,311</u>
Less accumulated depreciation for:				
Dams	(31,558,129)	(199,499)	-	(31,757,628)
Building, structures and improvements	(92,153,666)	(874,744)	-	(93,028,410)
D & R canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,275,512)	(108,275)	28,776	(5,355,011)
Total accumulated depreciation	<u>(150,147,581)</u>	<u>(1,182,518)</u>	<u>28,776</u>	<u>(151,301,323)</u>
Total capital assets being depreciated, net	97,815,953	(301,965)	-	97,513,988
Total capital assets, net	<u>\$ 153,997,877</u>	<u>\$ 3,604,911</u>	<u>\$ (867,509)</u>	<u>\$ 156,735,279</u>
	2019 Beginning Balance	Additions	Retirements	2019 Ending Balance
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ -	\$ 26,444,952
Construction work in progress	16,130,416	13,606,556	-	29,736,972
Total capital assets not being depreciated	<u>42,575,368</u>	<u>13,606,556</u>	<u>-</u>	<u>56,181,924</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	142,443,278	9,080	-	142,452,358
D & R canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	6,639,585	679,698	(337,541)	6,981,742
Total capital assets being depreciated	<u>247,612,297</u>	<u>688,778</u>	<u>(337,541)</u>	<u>247,963,534</u>
Less accumulated depreciation for:				
Dams	(30,760,135)	(797,994)	-	(31,558,129)
Building, structures and improvements	(88,615,808)	(3,537,858)	-	(92,153,666)
D & R canal dredging	(21,160,273)	(1)	-	(21,160,274)
Machinery and equipment	(5,214,168)	(397,165)	335,821	(5,275,512)
Total accumulated depreciation	<u>(145,750,384)</u>	<u>(4,733,018)</u>	<u>335,821</u>	<u>(150,147,581)</u>
Total capital assets being depreciated, net	101,861,913	(4,044,240)	(1,720)	97,815,953
Total capital assets, net	<u>\$ 144,437,281</u>	<u>\$ 9,562,316</u>	<u>\$ (1,720)</u>	<u>\$ 153,997,877</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS**

New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund ("NJCMF") or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (the "FDIC") or by any other agencies of the United States that insure deposits. All funds of the Authority may be invested in, obligations of, or guaranteed by, the U.S. Government.

The Authority's bond resolutions limit the investment of restricted assets to obligations of the U.S. Government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in the NJCMF and direct and general obligations of any state that meets the minimum requirements of the resolution.

1. Cash

As of September 30, 2019 and June 30, 2019, the Authority's bank balance was \$72,328,968 and \$70,306,338, respectively, of which \$250,000 was covered through the FDIC. The remaining balance of \$72,078,968 and \$70,056,338 as of September 30, 2019 and June 30, 2019, respectively, was collateralized, and the cash balance per the statement of net position is shown exclusive of outstanding checks totaling \$122,113 and \$307,840, respectively. The statement of net position amount includes petty cash totaling \$300 as of September 30, 2019 and June 30, 2019, respectively.

2. Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. The Authority's bank balance of \$72,328,968 and \$70,306,338 as of September 30, 2019 and June 30, 2019, respectively, was exposed to custodial credit risk as follows:

	September 30, 2019	June 30, 2019
Uninsured and uncollateralized	\$ -	\$ -

3. Investments and Cash Equivalents

The Authority does not have a policy to limit interest rate risk; however, its practice is to hold investments to maturity.

The Authority categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principals. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2019, the Authority had the following recurring fair value measurements using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 5,216,191	\$ 4,609,729	\$ 606,462
<b>Total</b>		<b>\$ 5,216,191</b>	<b>\$ 4,609,729</b>	<b>\$ 606,462</b>

As of June 30, 2019, the Authority had the following recurring fair value measurements using current sales prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

**NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

3. Investments and Cash Equivalents (continued)

Investment and Cash Equivalent Type*	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 9,608,502	\$ 9,514,743	\$ 93,759
<b>Total</b>		<b>\$ 9,608,502</b>	<b>\$ 9,514,743</b>	<b>\$ 93,759</b>

4. Credit and Custodial Credit Risk

In order to limit exposure to credit risk, the Authority follows the investment policies set forth by the NJCMF. These policies allow investment in securities that achieve a certain rating from the three major ratings organizations as determined annually by the governing board of the NJCMF, as well as limiting investments to certain types of marketable securities.

U.S. Treasury notes are explicitly guaranteed by the U.S. Government and are not subject to credit risk or custodial credit risk.

The Authority entered into an agreement with TD Bank to collateralize all deposits held at market rate equal to 102% of the daily combined total of all deposits. As of September 30, 2019, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the three months ended September 30, 2019 and 2018, respectively:

	2019	2018
Interest earned on bank accounts and certificates of deposit	\$ 265,672	\$ 185,272
Interest earned on securities	41,640	128,323
Decrease in fair value of securities	126,912	(67,354)
	<u>\$ 434,224</u>	<u>\$ 246,241</u>

**E. MAJOR WATER CUSTOMERS**

During fiscal years 2019 and 2018, the Authority supplied water to approximately 32 customers of the Raritan Basin System and 13 customers of the Manasquan System.

During fiscal years 2019 and 2018, two customers accounted for approximately 84% of total Raritan Basin System operating revenue. During fiscal years 2019 and 2018, three customers accounted for approximately 85% of the total Manasquan System operating revenue.

**F. RISK MANAGEMENT**

The Authority carries insurance for all of its facilities, covering direct physical loss or damage and loss of revenue resulting therefrom, with such deductibles as it deems appropriate. The Authority also carries General and Umbrella Public Liability Insurance with self-insured retainers as it deems appropriate. Automotive and Public Officials Liability coverage is also maintained with deductibles. Workers' Compensation coverage is also maintained, as required by State law. Settled claims resulting from the aforementioned risks have not exceeded insurance coverage in any of the past three fiscal years.

## Supplemental Information

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF NEW JERSEY**  
**COMBINING SCHEDULE OF NET POSITION**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019**

Unaudited

	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Elimination Entries</b>	<b>Combined Total</b>
<b>Assets</b>				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 35,615,300	\$ 15,028,604	\$ -	\$ 50,643,904
Unbilled sales	1,894,882	-	-	1,894,882
Accounts receivable, less allowance for doubtful accounts of \$1,000 at September 30, 2019	47,705,714	1,709,391	(153,405)	49,261,700
Interest receivable	25,062	933	-	25,995
Prepaid expenses and other current assets	545,352	148,895	-	694,247
Total unrestricted current assets	<u>85,786,310</u>	<u>16,887,823</u>	<u>(153,405)</u>	<u>102,520,728</u>
Restricted assets:				
Cash equivalents	15,736,971	5,826,280	-	21,563,251
Total current assets	<u>101,523,281</u>	<u>22,714,103</u>	<u>(153,405)</u>	<u>124,083,979</u>
Non-current assets:				
Investments	4,349,424	840,772	-	5,190,196
Capital assets net of accumulated depreciation of \$151,301,324 at September 30, 2019	105,000,467	51,734,812	-	156,735,279
Total non-current assets	<u>109,349,891</u>	<u>52,575,584</u>	<u>-</u>	<u>161,925,475</u>
Total assets	<u>210,873,172</u>	<u>75,289,687</u>	<u>(153,405)</u>	<u>286,009,454</u>
Deferred outflows of resources				
Pension related	4,196,365	1,305,426	-	5,501,791
OPEB related	634,573	189,548	-	824,121
2018 construction loan DEP fee	641,319	-	-	641,319
Total deferred outflows of resources	<u>5,472,257</u>	<u>1,494,974</u>	<u>-</u>	<u>6,967,231</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 216,345,429</u></b>	<b><u>\$ 76,784,661</u></b>	<b><u>\$ (153,405)</u></b>	<b><u>\$ 292,976,685</u></b>
<b>Liabilities</b>				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 112,091	\$ 39,191	\$ -	\$ 151,282
Accounts payable	979,330	335,298	(153,405)	1,161,223
Accrued liabilities	2,120,590	608,127	-	2,728,717
Unearned revenue	475,000	2,676,324	-	3,151,324
Total current liabilities	<u>3,687,011</u>	<u>3,658,940</u>	<u>(153,405)</u>	<u>7,192,546</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	72,034,596	44,987,879	-	117,022,475
Net pension liability	15,166,627	4,718,113	-	19,884,740
Total OPEB liability	20,674,755	6,175,576	-	26,850,331
Total non-current liabilities	<u>107,875,978</u>	<u>55,881,568</u>	<u>-</u>	<u>163,757,546</u>
Total liabilities	<u>111,562,989</u>	<u>59,540,508</u>	<u>(153,405)</u>	<u>170,950,092</u>
Deferred inflows of resources				
Cost recovery	11,416,169	(11,299,840)	-	116,329
Pension related	5,447,039	1,694,494	-	7,141,533
OPEB related	10,494,501	3,134,721	-	13,629,222
Gain on refunding	-	457,470	-	457,470
Total deferred inflow of resources	<u>27,357,709</u>	<u>(6,013,155)</u>	<u>-</u>	<u>21,344,554</u>
<b>Net position</b>				
Net Investment in capital assets	32,853,780	31,813,456	-	64,667,236
Restricted for debt service	15,261,971	3,149,956	-	18,411,927
Unrestricted	29,308,980	(11,706,104)	-	17,602,876
Total net position	<u>77,424,731</u>	<u>23,257,308</u>	<u>-</u>	<u>100,682,039</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b><u>\$ 216,345,429</u></b>	<b><u>\$ 76,784,661</u></b>	<b><u>\$ (153,405)</u></b>	<b><u>\$ 292,976,685</u></b>

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF NEW JERSEY**  
**COMBINED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019**

	Unaudited			
	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant	Combined Total
Operating revenues:				
Water Sales	\$ 5,636,896	\$ 1,906,283	\$ -	\$ 7,543,179
Reimbursement of operating expenses	-	-	660,600	660,600
Total operating revenues	<u>5,636,896</u>	<u>1,906,283</u>	<u>660,600</u>	<u>8,203,779</u>
Operating expenses:				
Payroll	1,510,332	238,811	222,010	1,971,153
Operations and maintenance (direct)	786,483	228,995	159,733	1,175,211
Operations and maintenance (general and administrative)	-	18,313	11,268	29,581
Fringe benefits	852,539	134,252	110,086	1,096,877
Headquarters overhead	(164,997)	142,000	22,997	-
Depreciation	714,826	467,692	-	1,182,518
Total operating expenses	<u>3,699,183</u>	<u>1,230,063</u>	<u>526,094</u>	<u>5,455,340</u>
Income from operations	<u>1,937,713</u>	<u>676,220</u>	<u>134,506</u>	<u>2,748,439</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	15,339	-	-	15,339
Investment income	355,819	68,315	10,090	434,224
Rental income	47,183	-	-	47,183
Other income/(loss)	5,689	25	-	5,714
Total non-operating revenue	<u>424,030</u>	<u>68,340</u>	<u>10,090</u>	<u>502,460</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	33,301	17,403	-	50,704
Recovery of deferred inflows of resources	(208,802)	368,537	144,596	304,331
Total non-operating expenses	<u>(175,501)</u>	<u>385,940</u>	<u>144,596</u>	<u>355,035</u>
Changes in net position	2,537,244	358,620	-	2,895,864
Net position, beginning of year	74,887,487	22,898,688	-	97,786,175
Net position, end of year	<u>\$ 77,424,731</u>	<u>\$ 23,257,308</u>	<u>\$ -</u>	<u>\$ 100,682,039</u>



NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Operating Fund										Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements II	Source Water Protection Fund	
Cash and investments - July 1, 2019	\$501,639	\$1,232,379	\$177,142	\$2,295,191	\$3,576,412	\$934,328	\$4,800,664	\$1,563,314	\$5,961,952	\$4,290,021	\$25,333,041
Cash receipts:											
Water sales operations and maintenance	3,519,335										3,519,335
Water sales debt service	1,821,124										1,821,124
Water sales capital fund	666,517										666,517
Water sales source water protection fund	484,740										484,740
Water sales overdrafts											
Rental income	35,436										35,436
Manasquan reservoir support	23,287										23,287
Headquarters overhead				189,497							189,497
Disposition of property	16,892										16,892
Recycling revenue											
Sale of investment securities					680,000		1,105,000		5,000,000		6,785,000
Nonrefundable bid deposits											
Insurance reimbursement	19,737										19,737
Miscellaneous expense reimbursement	4,921	8,455									13,376
Transfers:											
Contributions from operating fund	933,180	6,854,090	796,250	(11,532,650)			231,209	37,500		135,996	(2,544,425)
Contributions to operating fund	(4,443,055)	1,924,156		10,273,078						(105,595)	7,648,584
Transfers for operations	(2,373,835)			2,373,835					(4,500,000)		(4,500,000)
Transfers for investments											
Distribution from reserves to operations	35,000	6,067								(35,000)	6,067
Investment income	1,357	6,358	674	5,101	29,896	1,120	31,124	6,441	132,255	17,791	232,117
Per resolution, Section 603:											
Investment income, transfer from	198,868			(5,102)	(35,732)	(4,237)	(21,740)		(132,057)		
Investment income, transfer to	(16,631)				16,631						
Unrealized gain/(loss) on fair value					88,702	(3,583)	56,806		1,063,623		1,205,548
Total cash receipts	926,873	8,799,126	796,924	1,303,759	779,497	(6,700)	1,402,399	43,941	1,563,821	13,192	15,622,832
Total available cash and investments	\$1,428,512	\$10,031,505	\$974,066	\$3,598,950	\$4,355,909	\$927,628	\$6,203,063	\$1,607,255	\$7,525,773	\$4,303,213	\$40,955,871

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total cash and investments	\$25,333,042	\$315,242	\$598,976	\$1,412,985	\$11,566,428	\$499,114	\$13,458,777	\$764,929	\$87,314	\$1,849,181	\$55,885,99
Cash receipts:											
Water sales operations and maintenance	3,519,335										3,519,335
Water sales debt service	1,821,124										1,821,124
Water sales capital fund	666,517										666,517
Water sales source water protection fund	484,740										484,740
Water sales overdrafts	-										-
Rental income	35,436										35,436
Manasquan reservoir support	23,287										23,287
Headquarters overhead	189,497										189,497
Disposition of property	16,892										16,892
Recycling revenue	-										-
Sale of investment securities	6,785,000				3,580,370						10,365,370
Nonrefundable bid deposits	-										-
Insurance reimbursement	19,737										19,737
Miscellaneous expense reimbursement	13,376										13,376
Transfers:											
Contributions from operating fund	(2,544,425)	88,185	176,265		550,618		1,418,252	37,500		273,605	
Contributions to operating fund	7,648,584				(7,648,584)						
Transfers for operations	(4,500,000)				4,500,000						
Transfers for investments	-										
Distribution from reserves to operations	6,067									(6,067)	
Investment income	232,117	496	1,101	5,778	53,089	1,964	57,384	3,110	247	7,220	362,5
Per resolution, Section 603:											
Investment income, transfer from	-										
Investment income, transfer to	-										
Unrealized gain/(loss) on fair value	1,205,548										1,205,548
Total cash receipts	15,622,832	88,681	177,366	5,778	1,035,493	1,964	1,475,636	40,610	247	274,758	18,723,3
Total available cash and investments	\$40,955,874	\$403,923	\$776,342	\$1,418,763	\$12,601,921	\$501,078	\$14,934,413	\$805,539	\$87,561	\$2,123,939	\$74,609,3

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Revenue Account - TD	Operating Account - TD	Payroll Account - TD	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	Subtotal
Total available cash and investments	\$1,428,512	\$10,031,505	\$974,066	\$3,598,950	\$4,355,909	\$927,628	\$6,203,063	\$1,607,255	\$7,525,773	\$4,303,213	\$40,955,874
Cash disbursements:											
Payroll			796,250								796,250
Fringe benefits		3,692		360,997							364,689
Employee deferred compensation and credit union		184,955		40,088							225,043
Operations and maintenance		8,973,865		(185,343)							8,788,522
Prepaid insurance											
Miscellaneous disbursements											
Watershed Management Fund											
Capital improvements:											
Capital assets											
New five year construction project											
Purchase of investments securities					758,618		1,150,184		5,953,750		7,862,552
Principal on 1981 bonds											
Interest on 1981 bonds											
Principal on 1998 bonds											
Interest on 1998 revenue bonds											
Principal on NJEIT bonds											
Interest on NJEIT revenue bonds											
Total cash disbursements	-	9,162,512	796,250	215,742	758,618	-	1,150,184	-	5,953,750	-	18,037,056
Cash and investments - September 30, 2019	\$1,428,512	\$868,993	\$177,816	\$3,383,208	\$3,597,291	\$927,628	\$5,052,879	\$1,607,255	\$1,572,023	\$4,303,213	\$22,918,811
Summary of cash and investments:											
Cash	\$1,428,512.00	\$868,993.00	\$177,816.00								\$2,475,321.00
Short-term investments				\$3,383,208	\$2,916,923	\$296,775	\$3,510,892	\$1,607,255	\$75,807	\$4,303,213	16,094,071
Long-term investments					680,368	630,853	1,541,987		1,496,216		4,349,424
Restricted investments (current)											
Restricted investments (long-term)											
Total cash and investments	\$1,428,512	\$868,993	\$177,816	\$3,383,208	\$3,597,291	\$927,628	\$5,052,879	\$1,607,255	\$1,572,023	\$4,303,213	\$22,918,811

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - RARITAN BASIN SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$40,955,874	\$403,923	\$776,342	\$1,418,763	\$12,601,921	\$501,078	\$14,934,413	\$805,539	\$87,561	\$2,123,939	\$74,609,316
Cash disbursements:											
Payroll	796,250										796,250
Fringe benefits	364,689										364,689
Employee deferred compensation and credit union	225,043										225,043
Operations and maintenance	8,788,522										8,788,522
Prepaid insurance	-										-
Miscellaneous disbursements	-									15,832	15,832
Watershed Management Fund	-										-
Capital improvements:											
Capital assets	-										-
New five year construction project	-										-
Purchase of investments securities	7,862,552										7,862,552
Principal on 1981 bonds	-										-
Interest on 1981 bonds	-										-
Principal on 1998 bonds	-										-
Interest on 1998 revenue bonds	-										-
Principal on NJEIT bonds	-	289,096	492,498								781,594
Interest on NJEIT revenue bonds	-	16,094	57,082								73,176
Total cash disbursements	18,037,056	305,190	549,580	-	-	-	-	-	-	15,832	18,907,668
Cash and investments - September 30, 2019	\$22,918,818	\$98,733	\$226,762	\$1,418,763	\$12,601,921	\$501,078	\$14,934,413	\$805,539	\$87,561	\$2,108,107	\$55,701,616
Summary of cash and investments:											
Cash	\$2,475,321.00									\$48,463.00	\$2,523,784.00
Short-term investments	16,094,073	\$98,733	\$226,762	\$1,418,763	\$12,601,921	\$501,078	\$14,934,413	\$805,539	\$87,561	2,059,644	48,828,444
Long-term investments	4,349,424										4,349,424
Restricted Investments (current)	-										-
Restricted Investments (long-term)	-										-
Total cash and investments	\$22,918,818	\$98,733	\$226,762	\$1,418,763	\$12,601,921	\$501,078	\$14,934,413	\$805,539	\$87,561	\$2,108,107	\$55,701,616

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Revenue Account	Operating Fund			Reserve for O&M	Self-Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
		Operating Account	Payroll Account	Operating Fund									
Cash and investments - July 1, 2019	\$173,265	\$396,312	\$55,660	\$5,742,531	\$1,606,449	\$218,027	\$4,052,478	\$30,375	\$1,574,342	\$599,679	\$154,808	\$256,297	\$14,860,223
Cash receipts:													
Water sales operations and maintenance	800,027												800,027
Water sales debt service	1,092,693												1,092,693
Source water protection	27,722												27,722
Water sales debt service NJEIT	46,075												46,075
Water sales overdrafts	24,726												24,726
NJ-American pumping costs	56,263												56,263
Headquarters overhead													-
Reimbursement of WTP capital expenses													-
Disposition of assets													-
Reimbursement from/(to) Raritan Basin	2,554												2,554
Sale of investments securities													-
Nonrefundable bid deposits													-
Miscellaneous reimbursement	2,088												2,088
Transfers:													
Contributions from operating fund		609,292	239,676	(2,109,552)			30,000		26,613	5,670		7,500	(1,190,801)
Contributions to operating fund				337,924			(1,912)		(13,754)				322,258
Transfers for operations	(2,189,490)			2,232,948					(43,458)				-
Distribution from reserves to operations	206,620	1,874											210,494
Investment income	306	1,334	213	27,231	7,534	1,220	16,869	9	6,500	3,119	601	970	65,906
Per resolution, Section 603:													
Investment income, transfer from	39,474			(27,231)	(7,535)	(1,219)				(1,864)	(601)	(970)	54
Investment income, transfer to	(33,779)			33,779									-
Unrealized gain/(loss) on fair value					(253)	(148)				(670)	(11)		(1,082)
Total cash receipts	77,279	612,500	239,889	495,099	(254)	(147)	44,957	9	(24,099)	6,255	(11)	7,500	1,458,977
Total cash and investments	\$250,544	\$1,008,812	\$295,549	\$6,237,630	\$1,606,195	\$217,880	\$4,097,435	\$30,384	\$1,550,243	\$605,934	\$154,797	\$263,797	\$16,319,200

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Water Treatment Plant/Transmission System							NJ/EIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	Totals
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self- Insurance Reserve	Capital Improvement Reserve							
Cash and investments - July 1, 2019	\$14,860,223	\$85,837	\$2,064,423	\$9,557	\$99,005	\$254,968	\$141,056	\$148,111	\$3,318,296	\$1,746,553	\$247,736	\$41,197	\$544,131	\$23,561,093
Cash receipts:														
Water sales operations and maintenance	800,027													800,027
Water sales debt service	1,092,693													1,092,693
Source water protection	27,722													27,722
Water sales debt service NJ/EIT	46,075													46,075
Water sales overdrafts	24,726													24,726
NJ-American pumping costs	56,263													56,263
Headquarters overhead	-		660,600											660,600
Reimbursement of WTP capital expenses	-													-
Disposition of assets	-													-
Reimbursement from/(to) Raritan Basin	2,554													2,554
Sale of investments securities	-													-
Nonrefundable bid deposits	-													-
Miscellaneous reimbursement	2,088	2,104												4,192
Transfers:														
Contributions from operating fund	(1,190,801)	150,000	(153,381)					44,230	881,397			208,620	59,935	-
Contributions to operating fund	322,258		(310,949)				(11,309)							-
Transfers for operations	-													-
Distribution from reserves to operations	210,494											(208,620)	(1,874)	-
Investment income	65,906	193	8,257	37	295	946	361	233			916	54	1,830	79,028
Per resolution, Section 603:														
Investment income, transfer from	54											(54)		-
Investment income, transfer to	-													-
Unrealized gain/(loss) on fair value	(1,082)													(1,082)
Total cash receipts	1,458,977	152,297	204,527	37	295	946	(10,948)	44,463	881,397	-	916	-	59,891	2,792,798
Total cash and investments	\$16,319,200	\$238,134	\$2,268,950	\$9,594	\$99,300	\$255,914	\$130,108	\$192,574	\$4,199,693	\$1,746,553	\$248,652	\$41,197	\$604,022	\$26,353,891

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Operating Fund				Reserve for O&M	Self- insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Sediment Reserve	Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund									
Total available cash and investments	\$250,544	\$1,008,812	\$295,549	\$6,237,630	\$1,606,195	\$217,880	\$4,097,435	\$30,384	\$1,550,243	\$605,934	\$154,797	\$263,797	\$16,319,200
Cash disbursements:													
Payroll			239,677										239,677
Fringe benefits		463,155		(360,997)									102,158
Employee deferred compensation and credit union				55,305									55,305
Operations and maintenance		344,378		185,343									529,721
NJ-American pumping costs													-
Prepaid insurance													-
Headquarters overhead				166,500									166,500
Capital assets reservoir													-
Capital improvement program (reservoir)													-
Purchase of investments securities													-
Principal on bonds													-
Interest on bonds													-
Total cash disbursements		807,533	239,677	46,151									1,093,361
Cash and investments - September 30, 2019	\$ 250,544	\$ 201,279	\$ 55,872	\$6,191,479	\$1,606,195	\$217,880	\$4,097,435	\$30,384	\$1,550,243	\$605,934	\$154,797	\$263,797	\$15,225,839
Summary of cash and investments:													
Cash (Manasquan)	\$ 250,544	\$ 201,279	\$ 55,872										\$507,695
Cash (Water Treatment Plant/TS)													-
Short-term investments				\$6,191,479	\$1,245,523	\$37,965	\$4,097,435	\$30,384	\$1,550,243	\$335,747	\$124,799	\$263,797	13,877,372
Short-term investments (Water Treatment Plant/TS)													-
Long-term investments					360,672	179,915				270,187	29,998		840,772
Restricted investments (current)													-
Restricted investments (long-term)													-
Total cash and investments	\$ 250,544	\$ 201,279	\$ 55,872	\$6,191,479	\$1,606,195	\$217,880	\$4,097,435	\$30,384	\$1,550,243	\$605,934	\$154,797	\$263,797	\$15,225,839

NEW JERSEY WATER SUPPLY AUTHORITY  
A COMPONENT UNIT OF THE STATE OF NEW JERSEY

SCHEDULE OF CHANGE IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

	Water Treatment Plant/Transmission System													Totals
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2006 Debt Service Account	2006 Debt Service Reserve	Rebate Fund	General Reserve Fund	Employment Benefit Funds	
Total available cash and investments	\$16,319,200	\$238,134	\$2,268,950	\$9,594	\$99,300	\$255,914	\$130,108	\$192,574	\$4,199,693	\$1,746,553	\$248,652	\$41,197	\$604,022	\$26,353,891
Cash disbursements:														
Payroll	239,677													239,677
Fringe benefits	102,158													102,158
Employee deferred compensation and credit union	55,305													55,305
Operations and maintenance	529,721	151,355												681,076
NJ-American pumping costs	-													-
Prepaid insurance	-													-
Headquarters overhead	166,500		22,997											189,497
Capital assets reservoir	-													-
Capital improvement program (reservoir)	-													-
Purchase of Investments securities	-													-
Principal on bonds	-							109,353	3,015,000					3,124,353
Interest on bonds	-							13,000	253,169					266,169
Total cash disbursements	1,093,361	151,355	22,997	-	-	-	-	122,353	3,268,169	-	-	-	-	4,658,235
Cash and investments - September 30, 2019	\$15,225,839	\$ 86,779	\$2,245,953	\$9,594	\$99,300	\$255,914	\$130,108	\$70,221	\$931,524	\$1,746,553	\$248,652	\$41,197	\$604,022	\$21,695,656
Summary of cash and investments:														
Cash (Manasquan)	\$507,695													\$507,695
Cash (Water Treatment Plant/TS)	-	\$86,779												86,779
Short-term investments	13,877,372											\$41,197	\$604,022	14,522,591
Short-term investments (Water Treatment Plant/TS)	-		\$2,245,953	\$9,594	\$99,300	\$255,914	\$130,108							2,740,869
Long-term investments	840,772													840,772
Restricted investments (current)	-							\$70,221	\$931,524	\$1,746,553	\$248,652			2,996,950
Restricted investments (long-term)	-													-
Total cash and investments	\$15,225,839	\$ 86,779	\$2,245,953	\$9,594	\$99,300	\$255,914	\$130,108	\$70,221	\$931,524	\$1,746,553	\$248,652	\$41,197	\$604,022	\$21,695,656